

**BUSINESS PLAN
CM CAR WASH**



WALUNCHAI KUNPUKPONG

**AN INDEPENDENT STUDY IN PARTIAL FULLFILLMENT
OF THE REQUIREMENT FOR THE GRADUATE SCHOOL
STAMFORD INTERNATIONAL UNIVERSITY
MASTER OF BUSINESS ADMINISTRATIONS
ACADEMIC YEAR 2016**

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**The Independent Study has been approved by
The Graduate School
Stamford International University**

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ABSTRACT

CM Car Wash intend to provide car wash service with high quality and responsiveness CM Car Wash is car wash service that provide both in-house service and delivery service. Mr. Walunchai has the idea to create CM Car Wash project because he found the problem in car wash industrial and those problem will turn into opportunity of CM Car Wash. CM Car Wash will position themselves as premium steam car wash service with reasonable price. The target group of CM Car Wash are people who live in condominium and Apartment because they can't wash their car by themselves. CM Car Wash will offer high quality of service with less time consumed than normal car wash CM Car Wash will start their business within Prakanong area and expend their business to clover all area in Bangkok. In the future CM Car Wash will provide one stop service to their customer by adding more service such as Engine Steam clean, Leather Cleaning & treatment, Carpet Cleaning and Wax

Keyword: car wash, Optima steamer, delivery service, in-house service, steam car wash

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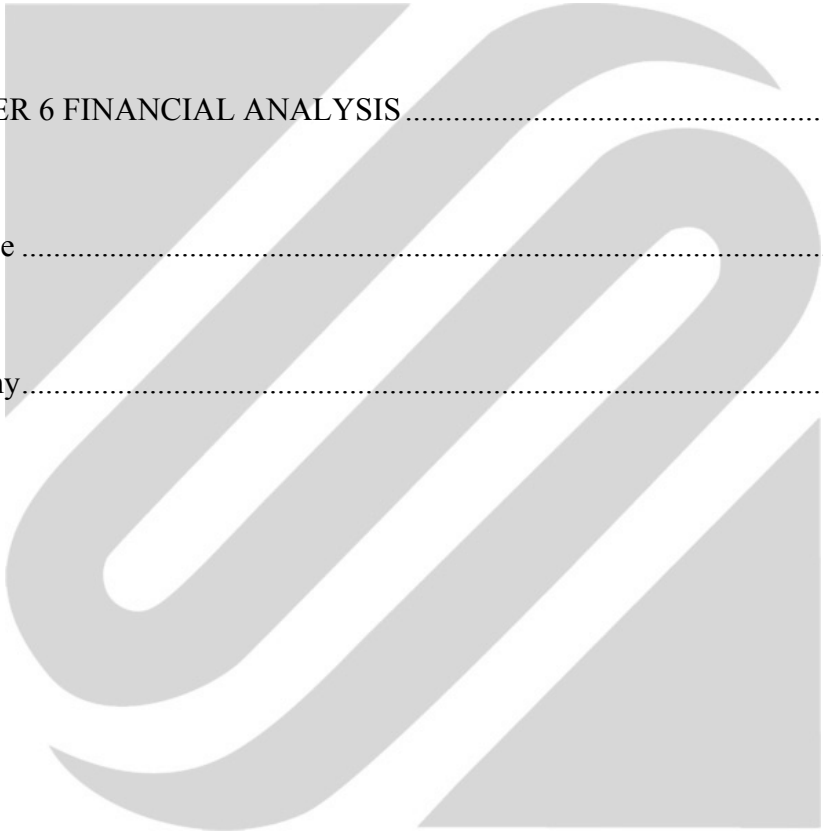
Walunchai Kunpukpong

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CHAPTER 1

EXCLUSIVE SUMMARY

CM Car Wash position themselves as premium steam car wash that target on people who live in condominium and apartment. The owner of CM Car Wash is Mr. Walunchai kunpukpong. This business will base in Sukhumvit 93 Prakanong, Bangkok because in Prakanong area has a lot of condominium and apartment and those are the target group of CM Car Wash. CM Car Wash are require start-up funds at THB 2,260,000. This amount of money will invest on Building that Include CM shop and CM office, furniture, Equipment for in-house service and mobile unit, Vehicle for mobile unit, advertising and cash on hand for running the business

CM Car Wash has 2 distribution channels that call In-House service and delivery service so in the first years CM Car Wash will focus on Prakanong area and then they will expand delivery service to clover all district of Bangkok by the year 2025. For In house service CM car wash will offer both normal car wash service by using high pressure cleaner and steam machine but for delivery service will offer only steam service. For steam car wash will use only Optima steamer and vacuum machine with 2 labors. The process of steam car wash service has 3 step, first step is cleaning outside by using optima steamer with 2 labors, step 2 will use only one labor for detailing outside and step 3 is cleaning inside the vehicle and vacuuming with 1 labor, all of this step will spend only 25 minutes. Price of in-house service will start at THB 150 and the price of delivery service will start at THB 280. In the future CM Car Wash will position themselves as car care center that provide one stop service to customer by adding more type of service such as Engine Steam clean, Leather Cleaning & treatment, Carpet Cleaning and Wax

Sales forecast of CM Car Wash in the first year is 8,580 unit and it will increase 25% in each years. The gross margin of in-house service is 84.21% and mobile unit is 90%. The breakeven of Mobile unit is 3268 sales units and breakeven of in-house service are 6128 sales unit

CHAPTER 2

INTRODUCTION

In the past few year the average of new car in Thailand increasing about 21612.77 per month (Trading Economics, 2017), and the tendency of Car in Thailand increasing about 10 % every year. Automotive industrial in Thailand also increasing, the price of vehicle also is increasing Due to the development of new technologies that improve the efficiency of vehicle so it will make a lot of value in automotive market

Whether old or new car, it need maintenance and treatment that make them looking good such as car washing, vacuuming, wax and etc. Comprise with hasty lifestyle of Bangkok people so the car wash service will be a good option for them. Car care industrial also expanding as fast as the volume of vehicle. But now a day only car wash service isn't enough because traffic problem in Bangkok city, people have to spend more time for drive to car care shop so the delivery service will be an important part for fulfil customer need . In Bangkok there are only few service provider that can offer delivery service to customer place. Delivery service is an opportunity in car wash industrial

CM Car Wash is the car wash service that provide both in-house service and delivery service. The owner of this project is Mr. Walunchai. The main idea for this company, is to solve several current problem in car wash industry such as damage while cleaning the vehicle, hasty lifestyle in Bangkok, Bangkok's traffic problem so this project will solve those problem by offer both normal car wash and steam car wash service, This project also offer delivery service for facilitate the convenience of customer and reduce the time consumed of customer. In the future CM Car Wash will expand their business to clover all type of car care service such as Engine Steam clean, Leather Cleaning & treatment, Carpet Cleaning and Wax. This project will start form Prakanong area for the first year and expand to Silon, Sathon, Riverside, Pathumwan until cover all area in Bangkok

CHAPTER 3

ENVIRONMENTAL SCANING

3.1) PESTEL ANALYSIS

Political

- On Year 2011 government announced the first-car tax scheme policy so people buy the car because of this policy around 1.25 million cars (Siriprapanukul, 2014) so the most Thai people have their own car so this will be opportunity for car wash industrial
- Politics of Thailand were conducted with constitutional monarchy, the prime minister is the head of government and a hereditary monarch is head of state. Since 22 May 2014, the 2007 constitution was revoked, and Thailand has been under the rule of a military organization that called National Council for Peace and Order (NCPO), which has taken control of the national administration. The chief of National Council for Peace and Order (NCPO) and Prime Minister is Gen. Prayuth Chan-Ocha so it make the political landscape in Thailand looks uncertain. The potential crises loom in the near term. Investors and businesses with a stake in the Thai economy need to follow these developments carefully.

Economic

- In the past economic in Thailand will base on Agriculture sector but now a day it was change so the main factor of economic is Non-Agriculture sector 90.9% and only 9.1% come from Agriculture sector. If we look into Non-Agriculture we will see that the major factor in Non-Agriculture is Service around 40 % as show on figure 2.4: Structure of Non-Agriculture Sector (OSMEP, 2017). So The Government establish The office of SMEs promotion to support SMEs in Thailand, by create SME one stop service center and they also provide the knowledge to SMEs in Thailand on their website and create seminar and exhibition for SMEs

- The Central Bank forecast that Thailand's economy will expand to 3.3 % in 2017 (Sullivan, 2016). For above information show that it is great opportunity for starting CM Car Wash Project
- Car wash service industry in Thailand are increasing because the trend and life style of people in Bangkok was change due to time pressure, life hustle and life style in condominiums
- Thailand average monthly wage increasing every years, In 2015 the average monthly wage in Thailand was 13,774.2936 Bath and the end of year 2016 Thailand average monthly wage was increased to 13,803.15 Bath (Trading Economics, 2017) as show on Figure 3.4: Thailand average monthly wages. For year 2017 the minimum wage in Bangkok was increased to 310 Baht from 300 Bath in year 2016 (Erdenebileg, 2016)

Social

- The worst traffic jam in Bangkok so people have to spend more time for driving to car care shop and some of them don't have enough time so they need service that make them more comfortable and CM Car Wash can provide delivery service to those people
- Average age in Thailand for male and female are 37 years old (Indexmundi, 2016) so they have to work and they don't have much time to do everything by themselves so delivery service will be great option for this generation
- Most Thai people using social media such as Line, Instagram, Facebook, YouTube, Pantip, and Twitter so this is the great opportunity to use those social media to adverting, communicate and keep contract with target group

Technology

- For Technology in now Most of car wash service they use high pressure washer but the new technology in Car wash industry is Steam washer the most of them still using high pressure washer because steam washer are more expensive and this machine have to import from another country

- The internet technology is a necessary technology for Bangkok people. At present, internet become the part of human life. In the past most of organization will communicate with their target group by using television, Radio or billboard but now a day most people using internet so the Internet technology has changed the way to communicate with each other and become the perfect tools for communicate the target group. So CM car wash will use the application that connecting with internet to communicate with the target group such as Facebook, Twitter, Instagram and line application. Those are the best way to communicate with CM target group

Environment

- For now people in Thailand are more concern on environment and the normal car wash need to use chemical to wash the car but steam car wash service don't need to use the chemical

- Thailand have 3 season: hot season, cold season and rainy season, Hot season will start in February to May, Clod season will start from November to February and Rainy season will start from May to October. For rainy season will effect with car wash service because people don't want to use car wash service in rainy season so sales number in this season may decrease.

Legal

- For car wash industry , the normal car wash need to pay house and building tax, signboard tax and eco tax

- For house and building tax will be 60 Bath per square mater

- For signboard tax , If there are only English alphabet will be 50 bath per 500 square centimeter, For only Thai alphabet will be 3 bath per 500 square centimeter, If we have both Thai and English we will pay 20 bath per 500 square centimeter

- The law in Thailand, the company must be "majority owned" by Thais, in terms of shareholders. This means that the company can be no more that 49% foreign owned.

Sometimes, it is a maximum of 39% foreign ownership, and occasionally even less. In most cases it's 49% foreign owned. So this law will be entry barrier for foreign company

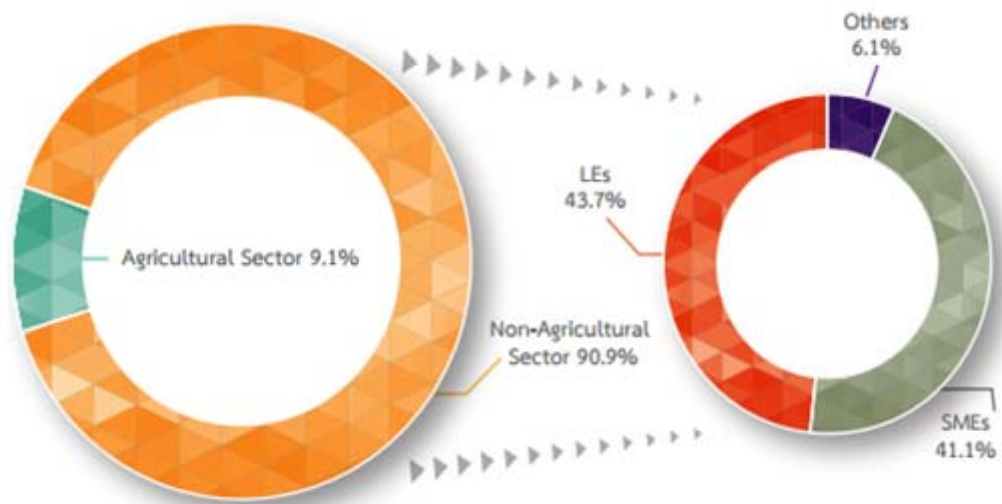


Figure 3.1: Structure of Thailand GDP

Source: OSMEP, 2017

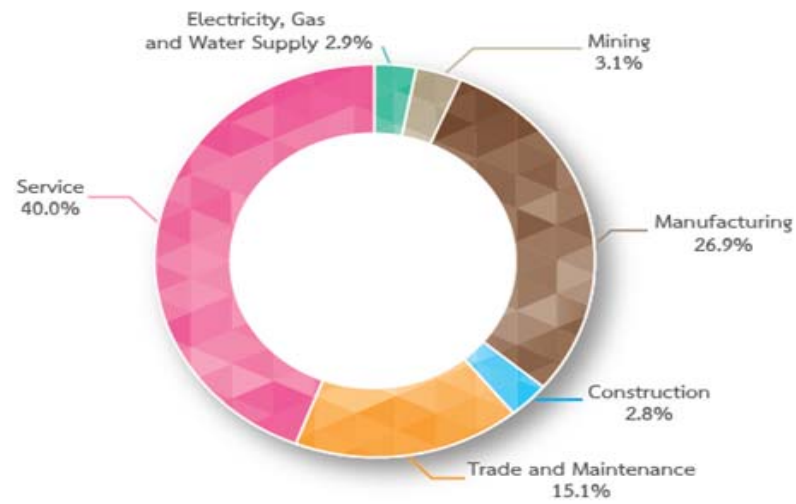


Figure 3.2: Structure of Non-Agriculture Sector

Source: OSMEP, 2017

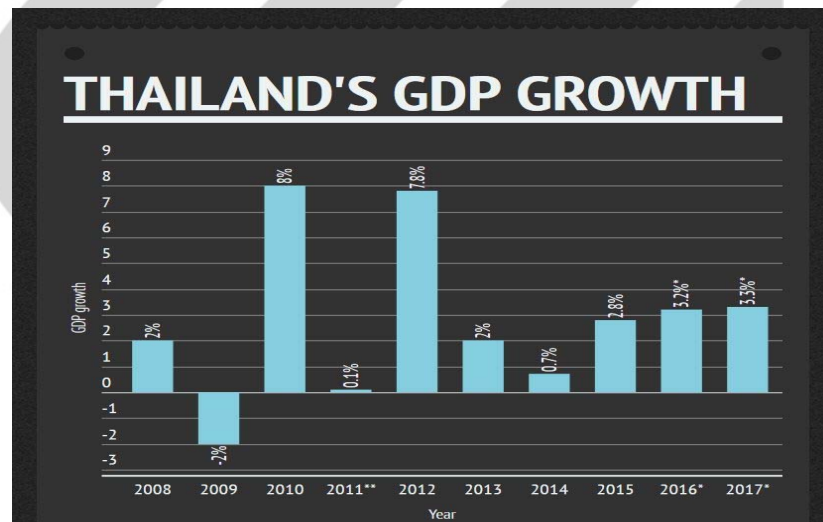


Figure 3.3: Thai GDP growth

Source: Thailand Business News, 2016

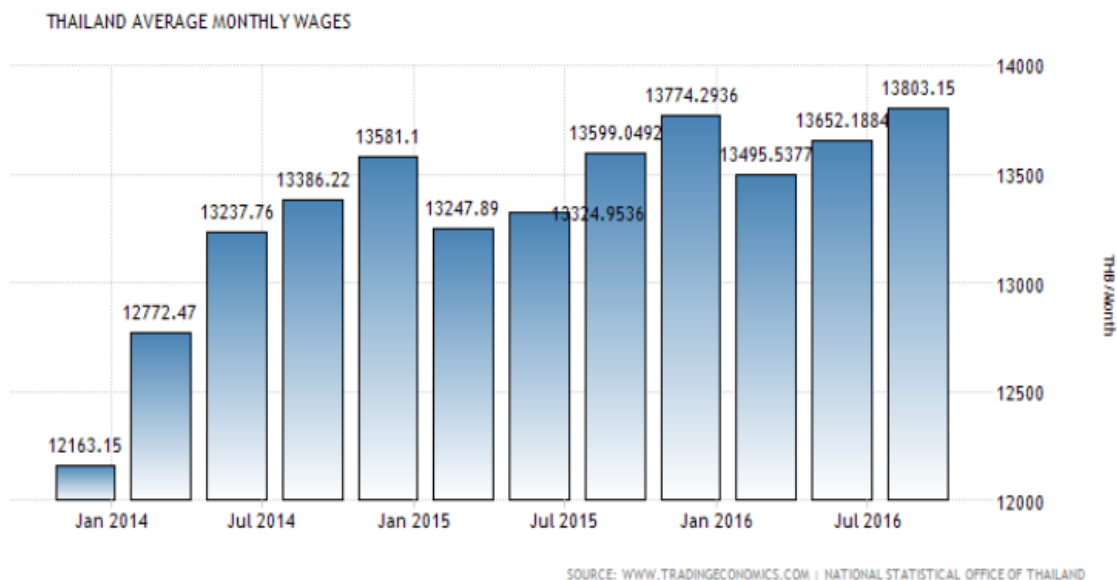


Figure 3.4: Thailand average monthly wages

Source: Treading Economics, 2017

3.2) POTER'S FIVEFORCE MODEL ANALYSIS

Bargaining power of supplier

The level of bargaining power with supplier is low. For CM Car Wash will operate by using Optima Steamer, This product produce by Stermericas in USA so CM Car Wash have to import this product from USA or dealer in China. For another reason CM Car Wash is start up business and CM Car Wash will use only few machines, for the substitute product is not suitable with CM's service. But in the future when CM Car Wash expand their business to clover all district in Bangkok and CM have to use a lot of machine so the level of bargaining power with supplier will higher

Bargaining power of customer

For Car wash industrial, customer has high level of bargaining power because In Bangkok there are a lot of car care shop so the customer has many choice and they can choose on what they prefer, some people they don't have much time so they decide to use quick respond service but some people they prefer lower price and they can wait for 1-2 hour or some people they need high service quality and they accept to pay higher price. And the brand loyalty in car wash industrial quite low so it very easy for customer to switch the brand, If customer don't satisfy with the service.

Treat of new entry

For Treat of new entry is medium because When new company enter to car wash industrial they need a lot of funds for investment. For Car wash industrial they need land, Building (Include office, wash Station and guest room), equipment, furniture, cash on hand. The most important factor for car wash industrial is location so If you require good a location you have to invest more funds. For competitor in Prakanong area there are 3 competitors and no one target on people who leave on condominium or apartment so it is good opportunity for CM Car Wash to enter to this industrial and offer delivery service to those target

Treat of substitute service

For Substitute service in Thailand are car wash machine, hand washing and dry chemical cleaning. For the quality of car wash machine quite low and the vehicle may get damage or scratch from this service. For hand washing service the customer might have to spend more time for consumed. For chemical dry cleaning, this service cannot clean the heavy stain and most people don't trust in chemical dry cleaning service. The price of those substitute service not different form normal car wash service so it depend on what customer prefer. The treat of substitute service is medium

Rivalry of existing competitor

Rivalry between car washes in Bangkok can be consider at high level due to in Bangkok have a lot of traditional car wash service and each of them offer additional service to customer so the level of competition in car wash industrial quite high

3.3) SWORT ANALYSIS

Strength

- Environmentally friendly business due to CM Car Wash will provide steam car wash service by without chemical used
- CM Car Wash will provide both In- house service and delivery car wash service to satisfy Target group in Bangkok
- CM Car Wash is 100% owner so business owner can make decision, take action and solve the problem immediately
- CM Car Wash will use new technology form USA that call “optima Steamer”. So we can provide better service than existing competitors. CM service can perform faster than normal service by washing only 25 minutes per car
- CM Car Wash will provide training program for employee on how to work, how to use new technology “ Optima steamer”, how to wash the cars with high quality with quick respond service and service mind

Weakness

- Cost of investment quite high, CM Car Wash have to spend a lot of money for Start-up business such as office building , washing station, Equipment and vehicle
- No established client base because CM Car Wash is new comer in the market
- The lack of a good understanding of the management information systems, performance management systems and accounting systems required to manage the business efficiently
- High operation cost so The company have to ensure that the business attracts a reliable number of clients every month to meet its operational costs

Opportunity

- Trend and life style of people in Bangkok was changed due to time pressure, life hustle and Traffic problem in Bangkok so the delivery service will be the good option for them
- There are few competitor in Prakanong area , Form observation there are only 3 competitors
- Large target market in Bangkok, In Bangkok there are lot of Condominium and apartment. Condominium in downtown area around 114,765 units, total completed supply in downtown and midtown/suburban areas reached 551,576 units and 11,090 unit for apartment as show on figure:3.5 Existing condominium in downtown and figure: 3.6 Existing (CBRE, 2017). This is an opportunity for CM Car Wash to target on people who live in apartment and condominium due to it was difficult for them to wash their car by themselves
- The tendency of Car in Thailand increasing about 10 % every year. From January 2016 to October 2016 car in Thailand increasing 7.89%, And number of Vehicle Registered in Bangkok there are 9,346,494 units the data was updated on 30 November 2016 by department of land transport (Transport Statistic sub division, 2017).
- There are few existing competitor that they can provide steam washing service

Treat

- High competition from other competitors in the market
- Substitute product such as car washing machine, hand-washing and chemical dry cleaning
- Switching cost in car care industrial is low so it's easy for customer to move to other competitors in the market

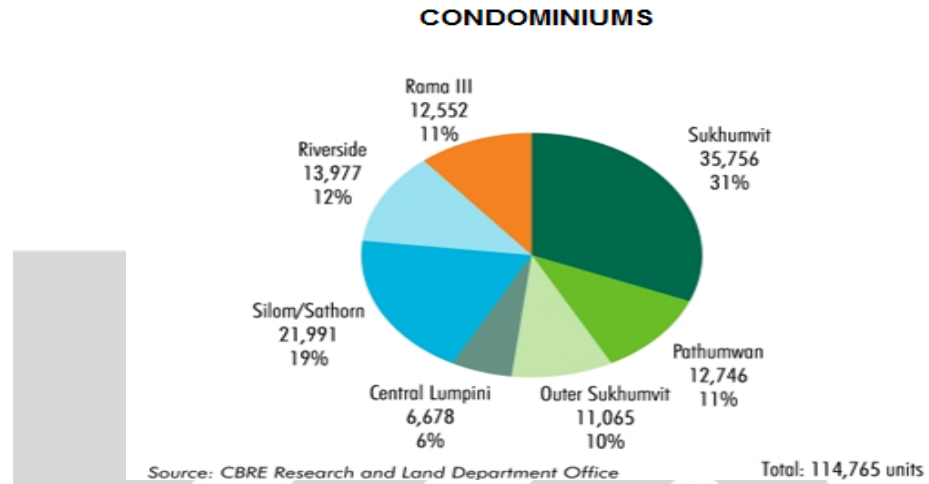


Figure 3.5: Existing condominium in downtown

Source: CBRE Research and Land Department Office, 2017

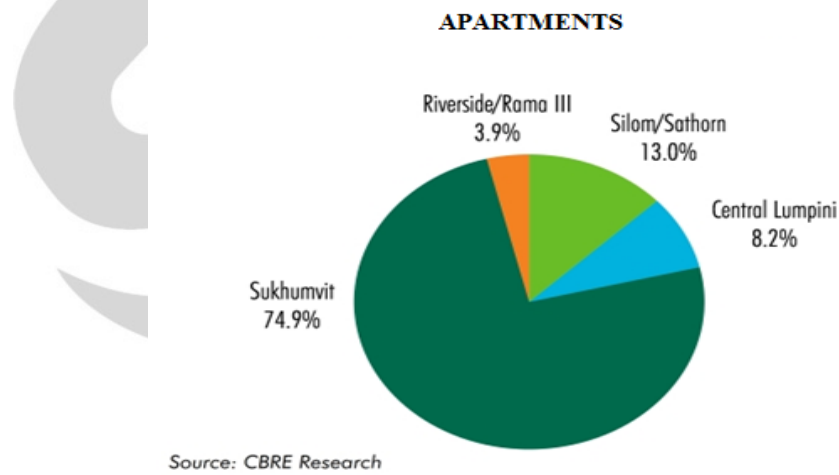


Figure 3.6: Existing apartment in downtown

Source: CBRE Research and Land Department Office, 2017

3.4) Competitor Analysis

CM Car Wash will locate in Sukhumvit 93 Prakanong district Bangkok. Form the observation in Prakanong area founded only 3 competitor, 2 of them are in house service and one of them is delivery service. Competitors of in-house service are Klean Square and 93 car care and the competitor for delivery service is Novel carwash

1. **Novel Car Wash:** Novel Car wash is car wash delivery in Bangkok area. Novel Car Wash will deliver their service to their customer by using motorcycle and supply box, in their supply box include small pressure washer, water and chemical. For Novel Car Wash there are 2 type of service. First type of cleaning is dry cleaning, in this type Novel Car wash will use only chemical to clean the car, for dry cleaning is not popular due to dry cleaning unable to clean the dirty on vehicle. The another type of service they will use small pressure washer and chemical to clean the customer vehicle but this service they need more area for cleaning due to the water from high pressure washer may splash to the other cars and after finish washing the water still remain on the floor so some condominium, apartment or car parking not allow this this type of service. The price of novel car wash will depend on size of vehicle and the distance by the price of Novel Car wash will start at 299 Bath

2. **Klean Square:** Klean Square located in BigC Onnut. Their location is an advantage for their business because everyone that go to BigC Onnut will see Klean Square shop and their customer can go to shipping or wait at BigC while Klean Square for cleaning their car. For Klean Square car wash service they will use high pressure washer and chemical to clean the customer's car. The Period of time for Klean Square service will be 45 minutes to 1 hour depend on size of vehicle. Price of Klean Square will higher than competitor in Prakanong area because they located in BigC so they have more expense for rental property in BigC area. The price of Klean Square will start at 299 Bath for small size of vehicle and their price will rises as size of vehicle.

3. 93 Coffee Garage: 93 Coffee Garage is locale within Sukhumvit 93. For 93 Car Care they have both car care service and coffee shop in their area so their customer can wait in the coffee shop while cleaning the car. For type of washing 93 Coffee Garage Care are using high pressure washer machine and chemical to clean the customer cars ,for their price will start at 180 Bath for small size of vehicle and the price will higher depend on size of vehicle



Figure 3.7: Novel Car Wash

Source: Novel Car Wash, 2017

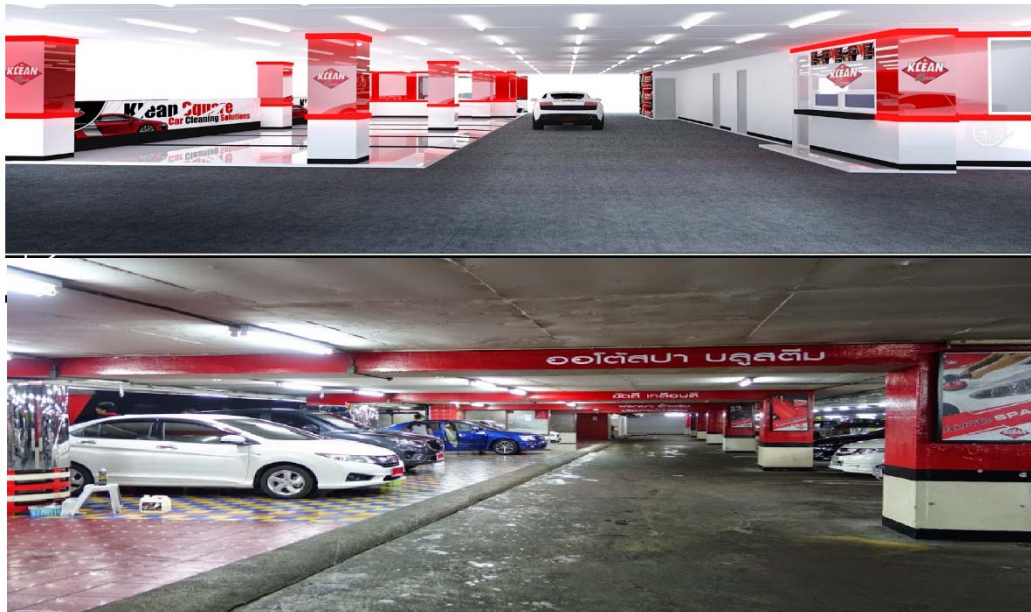


Figure 3.8: Klean Square

Source: Klean Square, 2017



Figure 3.9: 93 Coffee Garage

Source: Facebook Route 93 Coffee Garage, 2017

Table 3.1: Competitor Analysis

Marketing Comparison	CM Car Wash	Novel Car wash Delivery	Klean Square	93 Coffee Garage
Price	Start at THB 150 for in-house service & THB 280 for delivery service	There are only delivery service, start at THB 299 depend on distance	There are only in-house service , start at THB289	There are only in-house service, Start at THB 180
Machine	Optima Steamer	Use small pressure on the motorbike	High pressure water cleaner	High pressure water cleaner
Type of Washing	Use Optima Steamer to wash customer car(dry steam cleaning) by without chemical used and no water left on the floor	1) Use water and chemical to wash the car (They need more space because water may splash to other car) 2) Use only chemical to clean the car but they can't not clean dirty car	For high pressure washer and chemical, in this type of washing will use a lot of water to clean the car and it can also damage vehicle	For high pressure washer and chemical, in this type of washing will use a lot of water to clean the car and it can also damage vehicle
Type of delivery	We will use 4-wheel (pickup car) to deliver our service to customer	Use Motorbike to deliver their service	No delivery service, Customer have to bring the car to their shop	No delivery service, Customer have to bring the car to their shop
Facility	Customer can stay at home, condominium or apartment	Customer can stay at home, condominium or apartment	locate in Big C super center so customer can go to wait or shopping in Big C	There are small coffee shop for customer wa

CHAPTER 4

COMPANY DESCRIPTION

Founder of CM Car Wash is Mr. Walunchai Kunpukpong. For CM Car Wash will be sole-proprietorship (100% ownership) by Mr. Walunchai Kunpukpong. Mr. Walunchai Kunpukpong has initiative and new idea to start the car wash business because he found problems and opportunity in Car care industry so he believe that his Steam car wash and delivery service can solve those problem and proper with customer need in car wash industrial

CM Car Wash is start up business, CM Car Wash will provide the best car wash service to the customer with high standard quality. CM car wash will offer both in-house service and delivery service to their customer. They have plan to launch their delivery service in Prakanong area and in the future CM Car wash has plan to expand delivery service to clover all area in Bangkok, for CM shop, CM office and in-house service will locate in Sukhumvit 93. For in-house service will provide both normal car wash by using high pressure machine and steam car wash service by using optima steamer to the customer. For Steam car wash service will different from normal car wash in the market because normal car wash will use high pressure cleaner and chemical to clean the car. CM Car Wash will using the technology from America the “Optima steamer” this machine will change the water into purity of steam for remove dirty and stains from customer’s car

Mission: To provide car wash service that include both in-house service and delivery service with high standard quality with reasonable return on investment for investor.

Vision: To be the best car wash service provider in Bangkok in term of quality and responsiveness.

Slocan: Faster and better with CM

Object:

1. Breakeven within 3 year
2. Established at least 2 branches in Bangkok with in the year 2020
3. Offer car wash delivery service to all district of Bangkok by the year 2025

Business Philosophy

The trend of people who live in Bangkok was change so car wash service is a part of their lifestyle, people are finding the product or service that make them more comfortable and Car care industrial is the service that make those people living with more comfortable, that why in the Bangkok there are a lot of car care shop. There are many reason for the customer that prefer to use the car care service, some of them don't have enough space for wash their car because they live in apartment or condominium, some of them have limited time or they have something that important than washing their car so they can spend their time with those valuable thing and some of them have a hasty lifestyle so car was service is the best choice for those people. The data from the department of land transport show that car in Thailand increasing every years about 5-10% and continues increasing so the car care industrial in Bangkok continues growing as fast as volume of vehicle in Thailand

The competition in car wash industry are price, speed and service quality. Now a day price of car wash service will start at THB 120-180 for small size of vehicle, the average time consumed of car wash will be 45 minutes to 1 hours and the service quality will depend on equipment and their labor but most of them will use the high pressure cleaner so their labor will be main effect with service quality. The Life style in Bangkok they have to work agent limit time so the number of people who using the car wash service are increasing. Car in Bangkok increasing every years about 5-10 %, condominium and apartment in Bangkok also increasing and in Thailand there are few competitor that they can provide delivery service to the customer so it will be great opportunity for CM Car Wash to invest into car wash delivery industry. For the main target of CM Car Wash will be people that stay on condominium and apartment because they have to use car wash service

Technology

The technology that CM Car Wash service provide is Optima Steamer. The Optima Steamer is a revolutionary, environmentally-friendly dry steam cleaning machine. Using the latest in equipment technology—coupled with the unrivalled strength and purity of steam. The Optima Steamer can quickly and effectively remove dirt, stains, grease, odors and other contaminants from a variety of surfaces without chemicals and without creating waste water runoff



Figure 4.1: Optima steamer

Source: <http://www.steamerics.com/>

Organization structure

For CM Car wash will run the business with 2 department. Those department are Operation department and Administrative department. In the operation department will divide into 2 team, first team is in-store service and this team will provide car wash service at the CM shop, the another team is mobile unit, for mobile unit will provide delivery car wash service to the customer place in Prakanong area. For administrative department will start with 2 staff, one of them will position on sales & marketing and another staff will position on purchasing & financial as show on Figure 4.1 organization chart. In the future CM Car Wash will expand the car wash service to clover all area in Bangkok by start at Sukhumvit area and then will expand to Silon, Sathon, Riverside, Pathumwan until cover all area in Bangkok so it will need branch Manager to control the team in each area

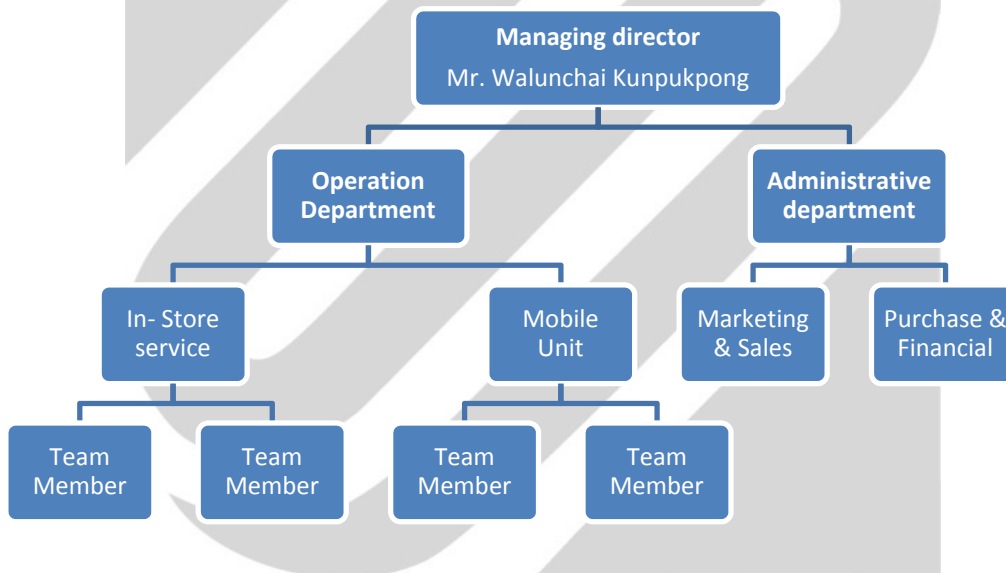


Figure 4.2: Organization Chart

Source: Develop by researcher

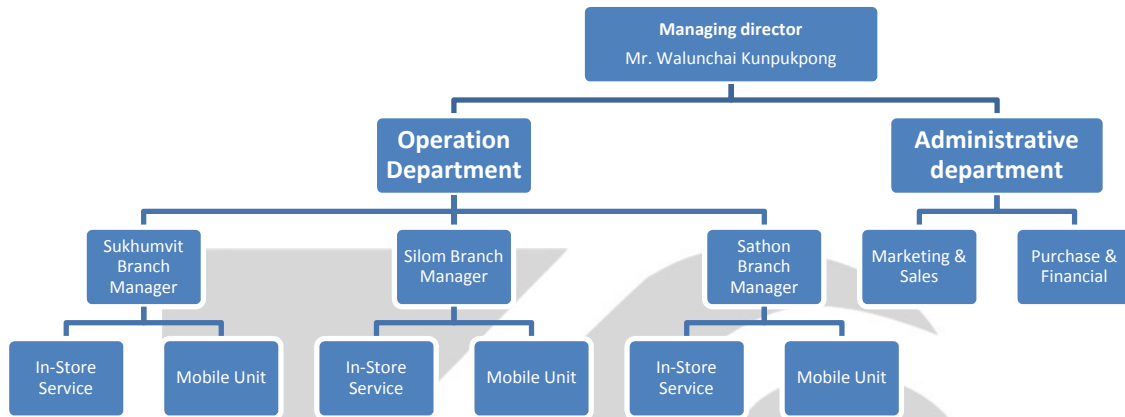


Figure 4.3: Future Organization Chart

Source: Develop by researcher

Contingency plan

CM Car Wash also prepare the plan for the emergency situation

- CM has plan to hire temporary labor on Saturday and Sunday due to the observation found that those holiday will has more customer than Monday to Friday
- CM has plan to stock the reserve equipment and machine for the emergency situation. In case that some equipment or machine was broken so CM still has the reserve equipment for running their business

Standard Operating Procedure (SOP)

For Standard procedure CM Car wash will separate into 2 SOP, one for delivery service and another one for in-house service. CM Car Wash are setting-up this SOP because CM Car Wash need all customer to receive the high quality standard from their service and this SOP also help CM's staff to carry out the routine operation. For the Table 4.1 will be

Standard operating procedure for In-house service and Table 4.2 will be Standard operating procedure for delivery service.

Table 4.1: SOP for In-house service at CM shop in Sukhumvit 93

CUSTOMER	CM STAFF
When customer come into CM car wash	CM staff will say "Sawadee krab or good morning / afternoon / evening , Welcome to CM car wash
	Update the promotion, information about service and the price of car wash service
Customer take a sit in the guest room	CM staff will bring the customer to the guest room
	CM Staff will drive the car to Washing station
On the Guest room we provide free Wi-Fi and drinking water for the client	For washing stage CM will use 2 labors for cleaning outside of vehicle about 15 minutes
	Then one of them will detailing outside of vehicle and another labor will clean inside of vehicle and vacuuming in this stage we will spend the time around 10 minutes
	After finish the cleaning, the staff will drive customer's car to parking area
	After car arrive to parking area CM staff will advise customer in term of payment, the customer can pay on cash or Credit card or coupon
Client choose the term of payment (Cash , Coupon or Credit card)	CM staff will say "Thank you for using CM Car Wash service and we hope that we will have opportunity to serve you in the near future"

Table 4.2: SOP for delivery service

CUSTOMER	CM STAFF
Customer call to CM car wash center	CM staff will say "Sawadee krab, good morning, afternoon or evening, welcome to CM car wash center"
	CM staff will update the promotion and give them the information about car wash service
Customer on the phone with CM staff	Asking the customer about the detail such as client name, place the they need us to deliver the service , date, time, type of car, contract number
	When we get all detail we will calculate and let them know about the price of delivery service and term of payment (Cash, Coupon or Credit card)
Customer can stay at home, condominium or apartment	When CM staff arrive to customer place, The staff will say “thank u for choosing our service”
	Then start cleaning by use 2 labors for cleaning outside of vehicle about 15 minutes
	Next step one of them will detailing outside of vehicle and another labor will clean inside of vehicle and vacuuming in this stage will spend the time around 10 minutes
	After finish washing service Cm staff will call to customer to check their car and advise the term of payment to customer
Client choose the term of payment (Cash. Coupon or Credit card)	After received their payment, CM staff will say “Thank you for using our service and we hope that we will have opportunity to serve you in the near future

CHAPTER 5

MARKETING STRATEGY

5.1 STP ANALYSIS

SEGMENTATION

CM Car Wash Market segmentation is done by demographically so CM Car Wash market segment will focus on the person who has their own vehicle and living in Prakanong area because the first branch of CM Car wash will locate in Prakanong area . The market segmentation can separate into 3 segment and those segment will classify by residential, First segment is condominium segment in this segment will focus on the person who has the car and live in condominium, the second segment is apartment segment and this segment will focus on the person who has their own car that live in apartment, the last segment is home segment on this segment will focus on person who has the car and live in their house

Condominium segment: For this interview found that most people who live in condominium they need to use car wash service because it quite difficult to clean their vehicle by themselves so the car wash service become the best choice for them. The data was shown in Table 5.1 Segmentation. On this table show that 94.3% of condominium segment using car wash service

Apartment Segment: For this result show 96.7 % of the sample that live in apartment also use car wash service. The result quite similar with condominium segment because those people don't have the equipment and it quite difficult to clean the vehicle so car wash service will be the best option for them

Home segment: For this segment will different from other segment because 42.9 % washing their car by themselves and 54.3 % using car wash service. Some of them have space, equipment and enough time so they decide to clean their car by themselves but some

of they still require car wash service because of their lifestyle car and they also trust in car wash service

Table 5.1: Segmentation

RESIDENT	TYPE OF CAR WASH		
	HOME WASHER	USE CAR WASH SERVICE	NEVER WASH THE CAR
HOME	42.9 %	54.3%	2.8%
CONDOMINIUM	-	94.3%	5.7 %
APRTMENT	-	96.7%	3.3%

Targeting

Actually Cm car wash can provide car wash service to every segment but the main target market of CM car wash is the person who have the vehicle and live in condominium or apartment. CM Car Wash target on condominium and Apartment sector because all of them need car wash service to fulfill on what they really can't do it by themselves. In the first years, CM Car Wash will focus on Prakanong area and then will expand to Sukhumvit, Silon, Sathon, Riverside, Pathumwan until cover all area in Bangkok

Positioning

For CM Car Wash will position themselves as premium steam car wash with affordable price. In Thailand there are only few steam car wash because the price of steam machine quite high so the target of steam car wash will be sport car and luxury cars due to price of car washing is high but CM Car Wash will remain the quality of steam car wash with reasonable price so ever one can afford with CM service

5.2 Marketing Mix Strategy

Product / Service

CM Car Wash will provide the car wash service in term of washing, detailing and vacuuming. CM office and CM store will locate in Sukhumvit 93 (Prakanong area). CM Car Wash will provide both in-house car wash service and delivery car wash service. For in-house service will locate at CM shop in Sukhumvit 94 and delivery service CM Car Wash will provide within Prakanong area for the first years and then CM Car wash will expand their delivery service to cover all area in Bangkok.

For the Processing of CM steam car wash service can achieve within 3 step. First step we will use 2 labors for cleaning outside of vehicle by using Optima Steamer, in this step will spend the time around 10-15 minutes. For step 2 and step 3 will use only 1 labor in each step so they can do both step at the same time, First labor will detailing outside of vehicle and another labor will clean inside of vehicle and vacuuming, For step 2 and step 3 will spend the time only 10 minutes. So they can complete all process of car wash that include washing, detailing and vacuuming within 25 minutes. For delivery service CM Car wash also use the same process by they will bring all service (washing, detailing and vacuuming) to customer's home, apartment or condominium, CM Car Wash also prepare plastic curtain for delivery service to make sure that the car wash service will not disturb other car in the parking area

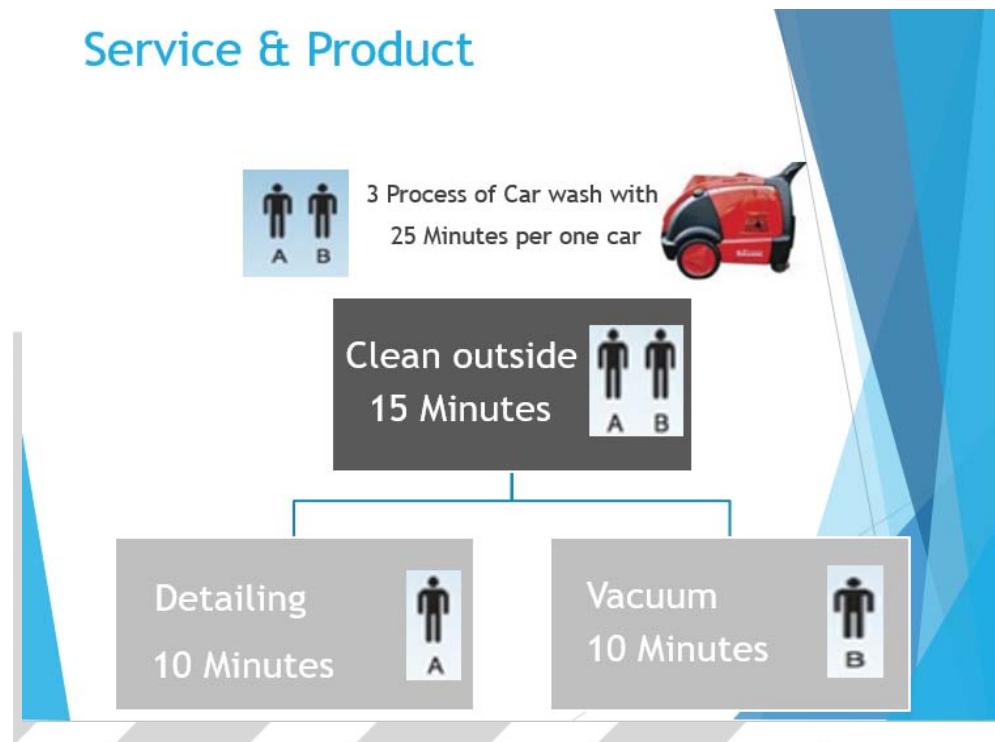


Figure 5.1: processing of CM Car Wash

Source: Develop by researcher

Price

For Price of car wash service will classify by size of vehicle. Price of in-house service will start THB 150 to THB 210, for delivery service the price will start 280 to 320 show on table 5.1: CM Car Wash price list. In the future CM Car Wash will expand their service in term of Engine Steam clean, Leather Cleaning & treatment, Carpet Cleaning and Wax (as per Table 5.2: Future CM Car Wash service and price list).

Table 5.2: CM Car Wash price list

SERVICE	S	M	L	SUV	XL
Wash + Vacuum (IN - HOUSE SERVICE)	150	170	190	210	210
Wash + Vacuum (DELIVERY SERVICE)	280	280	300	320	320

Table 5.3: Future CM Car Wash service and price list

SERVICE	S	M	L	SUV	XL
Wash + Vacuum (At CM shop)	150	170	190	210	210
Wash + Vacuum (Delivery service)	280	280	300	320	320
Speed guard / Express wax	350	350	420	450	480
Cleaner Wax	380	380	480	500	550
Engine Steam clean	500	500	800	800	800
Leather Cleaning and treatment	2800	3000	3000	3300	3500
Carpet Cleaning	1800	2000	2000	2500	2800

Place

CM Car Wash offer 2 distribution channel strategies: (1) in-house service and (2) delivery service

- In-house service: For in-house service will locate in Sukhumvit93 because the owner (Mr. Walunchai) has his own place. The main reason that Mr. Walunchai choose this area because in this area have 13 unit of condominium and 8 unit of apartment and those people in the apartment and condominium is our target. For in-house service CM will provide both normal car wash and Steam car wash service

- Delivery service: CM Car Wash will launch delivery service in Prakanong area for the first year and then CM Car Wash will expand delivery service to cover all are in Bangkok within 2025

Promotion

CM car wash will promote their company and service by using brochure and social media such as Line application, Facebook and Twitter. The social media will be the main channel to advertise, promote, and keep in touch with customers. In Thailand Facebook is the top social media with 37 million Facebook users (Thaivisa, 2016) so Facebook is the first choice for advertise, promote, build the relationship and keep in touch with customer, followed by Line, Instagram and twitter

Promotion of CM Car wash

- Like and share Campaign: Customer will get discount 5% when they like and share on their CM fan page on Facebook , this campaign will help CM Car Wash to advertise and promote their company through social media

- Line Campaign: The client can add CM ID on application Line and they will get discount 5%. For Line application will help to keep in touch with customer by promote and giving them the information about CM service, By the way customer can chat or asking the information with CM Car Wash through Line application

- Free Membership Card: Customer have to register with CM Car Wash to get the member ship card and the privilege of membership card is when customer use CM service 10 times with the years they will get free car wash on next time. The membership card will help to record behavior of the client and create customer loyalty

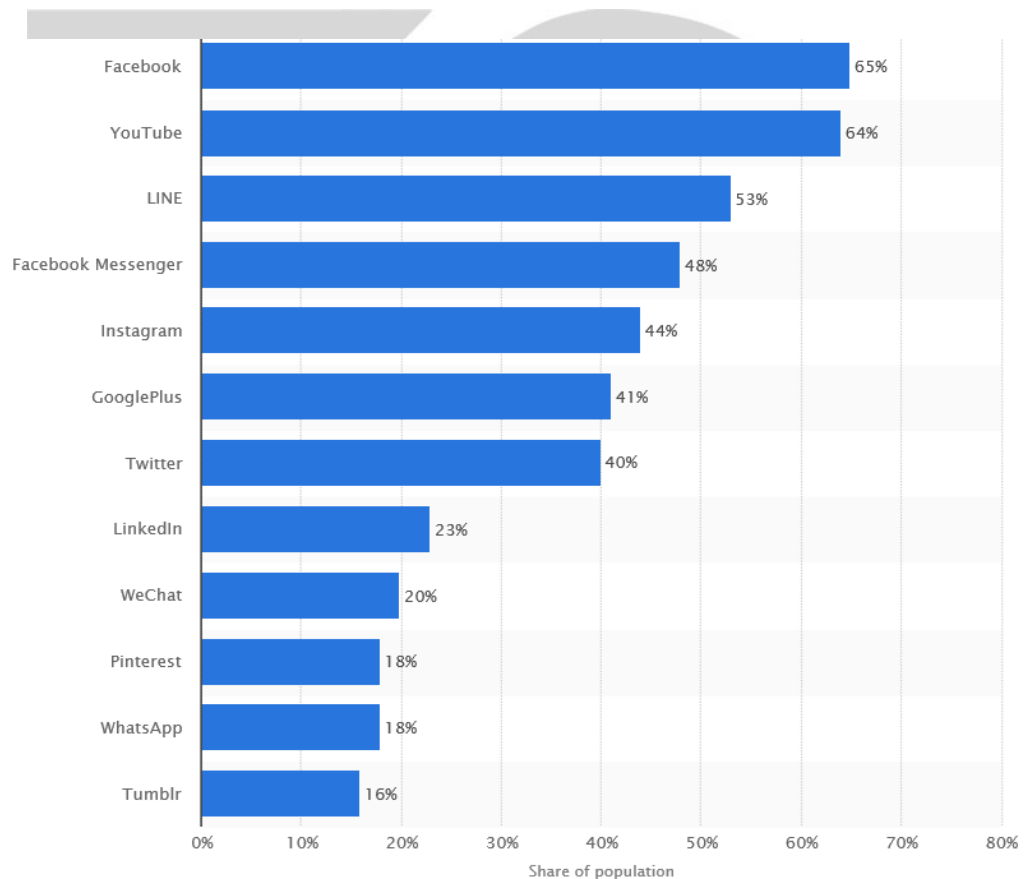


Figure 5.2: Penetration of leading social networks in Thailand as of 4th quarter 2016

Source: Thaivisa, 2016

5.3 Service Comparison & Competitive advantage

Service comparison between Steam car wash and Normal car wash in Bangkok. Steam car wash will use only 2 equipment, those equipment are Optima steamer and Vacuum machine but Normal car wash have to use pressure washer, vacuum machine, chemical and blower. In term of energy consumption (Electric and water) Optima steamer will use only 3.75 liters on 1 gallon for washing 1 car but High pressure washer have to use 42 liters or 11.2 gallon per car, for electric consumption Optima steamer will use only 1500 Watts (270 Bath per day) but High pressure need to use 2850 watts per day (500 Bath per day). The capacity of steam car wash by optima steamer and Normal car wash per 12 hours, for steam car wash will spend the time only 25 minutes per car so this machine can wash 30 cars per day or 12 hours but Normal car wash have to spend 45 minutes per car so they can wash only 20 cars per 12 hours. In term of labors, Steam car Wash will use only 2 labors for washing, detailing and vacuuming but normal car wash has to use 3-4 labors for washing, detailing, blowing and vacuuming. The result of comparison show on figure 5.3 service comparison so CM Car Wash has better performance than normal car wash in term of timing, energy consumption, utilities expense and labors cost

Competitive advantage of Steam Car Wash service

- More convenience, CM Car Wash will deliver car wash service to customer's place
- Save the time and cost of customer for driving to car care shop
- Reduce time consumed, Optima steamer can perform faster than Normal car wash. Use only 25 minutes for each car
- Steam car wash service will use few equipment, only optima steamer and Vacuum machine
- Steam car wash service will use only 2 labor for cleaning the customer's car
- Save energy and eco-friendly
- No waste water run-off / no water left on the floor, no need to drain the water to street
- No scratch or damage with the car
- No chemical used for steam car wash service





Topic	Optimus Steamer	Normal car wash
Quantity car wash per days (12 Hours)	30 cars	20 cars
Water	3.75 liters per car = 1 gallon	42 liters = 11.2 gallon
Electric cost	1500 watts per days = 270 Bath per days	2850 watts per days = 500 bath per days
Equipment		
Labor / Car		
Time	25 Minute Per Car	35-45 Minutes per Car

Figure 5.3: Service comparison

Source: Develop by researcher

CHAPTER 6

FINALCIAL PLAN

For Table 6.1 show the detail about the funds that we require for start-up business. The Owner of CM Car Wash has own place so he just invest on building (CM office and CM center for in-house service), furniture include decoration, 3 set of equipment (for mobile unit, in-house service and reserve equipment) and vehicle for Mobile unit. Source of fund will be 100% owner equity

For Table 6.2 will show about wages and salaries of CM Car Wash, CM Car wash will hire 2 officer (first employee will position on sales & marketing and another staff will position on purchasing & financial). CM will use 6 labors 3 of them will position at CM center for in-house service and the rest will position at Mobile Unit for delivery service

For Table 6.3 will show about fixed operation expense. The main expense are cost of advertising (website and brochure), fuel for mobile unit, customer discount when they follow the campaign, office equipment (Pen, pencil, ruler, paper) telephone & communication for communicate with customer and utilities. For other expense will be depreciation form building, vehicle, furniture and equipment

Table 6.1 Required Start-Up Funds for CM Car Wash

CM Car Wash
Required Start-Up Funds for a New Business

Required Start-Up Funds	Amount	Totals	Depreciation	Notes
Fixed Assets				
Buildings	THB 1,000,000		20.00	years
Equipment	250,000		10.00	years
Furniture and Fixtures	100,000		10.00	years
Vehicles	600,000		10.00	years
Other Fixed Assets	-		5.00	years
Total Fixed Assets		1,950,000		
Operating Capital				
Advertising and Promotions	10,000			
Working Capital (Cash On Hand)	30,000			
Total Operating Capital		310,000		
Total Required Funds		THB 2,260,000		
Sources of Funding	Amount	Totals	Monthly Payments	
Owner's Equity	100.00%	2,260,000		
Total Sources of Funding	100.00%	THB 2,260,000	THB 0.00	

Table 6.2: CM Car Wash Salaries and Wages

CM Car Wash Salaries and Wages

Salaries and Related Expenses	Assump tions	Monthly	Year One	Year Two	Year Three
Percent Change				5.00%	5.00%
Salaries and Wages					
Owner's Compensation	1	THB 30,000	360,000	378,000	396,900
Salaries	2	30,000	360,000	378,000	396,900
Wages					
Full-Time Employees	4	52,000	624,000	655,200	687,960
Estimated Hours Per Week	60.00				
Estimated Rate Per Hour	50.00				
Part-Time Employees	2	8,667	104,000	109,200	114,660
Estimated Hours Per Week	20.00				
Estimated Rate Per Hour	50.00				
Independent Contractors		-	-	-	-
Total Salaries and Wages	9	120,667	1,448,000	1,520,400	1,596,420
Payroll Taxes and Benefits					
Social Security Employee Pension Programs	5.00%	6,033	72,400	76,020	79,821
Programs	3.00%	3,620	43,440	43,440	43,440
Total Payroll Taxes and Benefits		9,653	115,840	119,460	123,261
Total Salaries and Related Expenses		130,320	1,563,840	1,639,860	1,719,681

Table 6.3: CM Car Wash fixed operation expense

**CM Car Wash
Fixed Operating Expenses**

Fixed Operating Expenses	Monthly	Year One	Year Two	Year Three
Percent Change			3.00%	3.00%
Expenses				
Advertising	THB 1,000	12,000	12,360	12,731
Car and Truck Expenses	5,000	60,000	61,800	63,654
Customer Discounts and Refunds	3,000	36,000	37,080	38,192
Office Expenses & Supplies	2,000	24,000	24,720	25,462
Telephone and Communications	2,000	24,000	24,720	25,462
Utilities	8,000	96,000	98,880	101,846
Total Expenses	21,000	252,000	259,560	267,347
Other Expenses				
Depreciation	12,083	145,000	145,000	145,000
Total Other Expenses	12,083	145,000	145,000	145,000
Total Fixed Operating Expenses	33,083	397,000	404,560	412,347

Table 6.6: Cash Receipts and Disbursements

CM Car Wash		
Cash Receipts and Disbursements		
Accounts Receivable Collections		
Percent of Collections		
	0 to 30 days	100.00%
	31 to 60 days	0.00%
	More than 60 days	0.00%
Total Collections Percentage		100.00%
<hr/>		
Accounts Payable Disbursements		
Number of Days to Pay Suppliers		
	0 to 30 days	100.00%
	31 to 60 days	0.00%
	More than 60 days	0.00%
Total Disbursements Percentage		100.00%
<hr/>		
Income Tax Assumptions		
	Effective Income Tax Rate	20.00%
Amortization of Start-Up Expenses		
	Amortization Period in Years	3.00

Table 6.9: Projected Cash Flow Statement - Year One

CM Car Wash
Projected Cash Flow Statement - Year One

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	300,000	213,180	139,260	78,240	43,020	20,700	24,180	53,460	108,540	163,620	218,700	273,780	
Cash Inflows													
Income from Sales	73,500	88,200	102,900	132,300	147,000	176,400	205,800	235,200	235,200	235,200	235,200	235,200	2,102,100
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	73,500	88,200	102,900	132,300	147,000	176,400	205,800	235,200	235,200	235,200	235,200	235,200	2,102,100
Cash Outflows													
Investing Activities													
New Fixed Assets Purchases	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Cost of Sales	9,000	10,800	12,600	16,200	18,000	21,600	25,200	28,800	28,800	28,800	28,800	28,800	257,400
Operating Activities													
Salaries and Wages	130,320	130,320	130,320	130,320	130,320	130,320	130,320	130,320	130,320	130,320	130,320	130,320	1,563,840
Fixed Business Expenses	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	252,000
Total Cash Outflows	160,320	162,120	163,920	167,520	169,320	172,920	176,520	180,120	180,120	180,120	180,120	180,120	2,173,240
Cash Flow	(86,820)	(73,920)	(61,020)	(35,220)	(22,320)	3,480	29,280	55,080	55,080	55,080	55,080	(44,920)	(71,140)
Operating Cash Balance	213,180	139,260	78,240	43,020	20,700	24,180	53,460	108,540	163,620	218,700	273,780	228,860	
Line of Credit Drawdowns	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	213,180	139,260	78,240	43,020	20,700	24,180	53,460	108,540	163,620	218,700	273,780	228,860	



Table 6.10: Balance Sheet - Year One**CM Car Wash****Balance Sheet - Year One**

	<u>Base Period</u>	<u>End of Year One</u>
Current Assets		
Cash	300,000	228,860
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	10,000	6,667
Other Current	-	-
Total Current Assets	<u>310,000</u>	<u>235,527</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	1,000,000	1,000,000
Leasehold Improvements	-	-
Equipment	250,000	250,000
Furniture and Fixtures	100,000	100,000
Vehicles	600,000	600,000
Other Fixed Assets	-	100,000
Total Fixed Assets	<u>1,950,000</u>	<u>2,050,000</u>
Less: Accumulated Depreciation	-	145,000
	<u>2,260,000</u>	<u>2,140,526</u>
Liabilities		
Accounts Payable	-	-
Loan Payable	-	-
Mortgage Payable	-	-
Credit Card Debt	-	-
Vehicle Loans	-	-
Other Bank Debt	-	-
Line of Credit Balance	-	-
Total Liabilities	-	-
Owner's Equity		
Common Stock	2,260,000	2,260,000
Retained Earnings	-	(119,473)
Dividends Dispersed	-	-
Total Owner's Equity	<u>2,260,000</u>	<u>2,140,527</u>
	<u>2,260,000</u>	<u>2,140,526</u>

Table 6.11: Year End Summary

**CM Car Wash
Year End Summary**

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Income			
IN-HOUSE SERVICE	815,100	1,018,875	1,273,594
DELIVERY SERVICE	<u>1,287,000</u>	<u>1,608,750</u>	<u>2,010,938</u>
Total Income	2,102,100	2,627,625	3,284,531
Cost of Sales			
IN-HOUSE SERVICE	128,700	160,875	201,094
DELIVERY SERVICE	<u>128,700</u>	<u>160,875</u>	<u>201,094</u>
Total Cost of Sales	257,400	321,750	402,188
Gross Margin	<u>1,844,700</u>	<u>2,305,875</u>	<u>2,882,344</u>
Total Salary and Wages	1,563,840	1,639,860	1,719,681
Fixed Business Expenses			
Advertising	12,000	12,360	12,731
Car and Truck Expenses	60,000	61,800	63,654
Customer Discounts and Refunds	36,000	37,080	38,192
Office Expenses & Supplies	24,000	24,720	25,462
Telephone and Communications	24,000	24,720	25,462
Utilities	<u>96,000</u>	<u>98,880</u>	<u>101,846</u>
Total Fixed Business Expenses	252,000	259,560	267,347
Operating Income (before Other Expenses)	28,860	406,455	895,316
Other Expenses			
Amortized Start-up Expenses	3,333	3,333	3,333
Depreciation	145,000	145,000	145,000
Taxes	<u>-</u>	<u>52,291</u>	<u>150,063</u>
Total Other Expenses	148,333	200,624	298,397
Net Income	<u><u>(119,473)</u></u>	<u><u>205,831</u></u>	<u><u>596,919</u></u>

Table 6.13: Projected Income Statement - Year Two (Continues)

CM Car Wash													
Projected Income Statement - Year Two (Continues)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Gross Margin	80,625	96,750	112,875	145,125	161,250	193,500	225,750	258,000	258,000	258,000	258,000	258,000	2,305,875
Total Salary and Wages	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	1,639,860
Fixed Business Expenses													
Advertising	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,360
Car and Truck Expenses	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,800
Customer Discounts and Refunds	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	37,080
Office Expenses & Supplies	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	24,720
Telephone and Communications	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	24,720
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	8,240	8,240	8,240	8,240	8,240	8,240	8,240	8,240	8,240	8,240	8,240	8,240	98,880
Total Fixed Business Expenses	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	259,560
Other Expenses													
Amortized Start-up Expenses	278	278	278	278	278	278	278	278	278	278	278	278	3,333
Depreciation	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	145,000
Taxes	-	-	-	-	-	-	-	-	-	17,238	17,526	17,526	52,291
Total Other Expenses	12,361	12,361	12,361	12,361	12,361	12,361	12,361	12,361	12,361	29,599	29,887	29,887	200,624
Net Income	(90,021)	(73,896)	(57,771)	(25,521)	(9,396)	22,854	55,104	87,354	87,354	70,116	69,828	69,828	205,831

Table 6.14: Projected Cash Flow Statement - Year Two

CM Car Wash													
Projected Cash Flow Statement - Year Two													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	228,860	151,200	89,665	44,255	31,095	34,060	69,275	136,740	236,455	336,170	435,885	535,600	
Cash Inflows													
Income from Sales	91,875	110,250	128,625	165,375	183,750	220,500	257,250	294,000	294,000	294,000	294,000	294,000	2,627,625
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	91,875	110,250	128,625	165,375	183,750	220,500	257,250	294,000	294,000	294,000	294,000	294,000	2,627,625
Cost of Sales	11,250	13,500	15,750	20,250	22,500	27,000	31,500	36,000	36,000	36,000	36,000	36,000	321,750
Operating Activities													
Salaries and Wages	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	136,655	1,639,860
Fixed Business Expenses	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	21,630	259,560
Taxes	-	-	-	-	-	-	-	-	-	-	-	52,291	52,291
Total Cash Outflows	169,535	171,785	174,035	178,535	180,785	185,285	189,785	194,285	194,285	194,285	194,285	246,576	2,273,461
Cash Flow	(77,660)	(61,535)	(45,410)	(13,160)	2,965	35,215	67,465	99,715	99,715	99,715	99,715	47,424	354,164
Operating Cash Balance	151,200	89,665	44,255	31,095	34,060	69,275	136,740	236,455	336,170	435,885	535,600	583,024	
Line of Credit Drawdowns	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash Balance	151,200	89,665	44,255	31,095	34,060	69,275	136,740	236,455	336,170	435,885	535,600	583,024	

Table 6.15: Balance Sheet - Year Two

	<u>End of Year One</u>	<u>End of Year Two</u>
Assets		
Current Assets		
Cash	228,860	583,024
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	6,667	3,333
Other Current	-	-
Total Current Assets	<u>235,527</u>	<u>586,357</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	1,000,000	1,000,000
Leasehold Improvements	-	-
Equipment	250,000	250,000
Furniture and Fixtures	100,000	100,000
Vehicles	600,000	600,000
Other Fixed Assets	100,000	100,000
Total Fixed Assets	<u>2,050,000</u>	<u>2,050,000</u>
Less: Accumulated Depreciation	145,000	290,000
Total Assets	<u><u>2,140,526</u></u>	<u><u>2,346,357</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Other Bank Debt	-	-
Line of Credit Balance	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Owner's Equity		
Common Stock	2,260,000	2,260,000
Retained Earnings	(119,473)	86,357
Dividends Dispersed	-	-
Total Owner's Equity	<u>2,140,527</u>	<u>2,346,357</u>
Total Liabilities and Owner's Equity	<u><u>2,140,526</u></u>	<u><u>2,346,357</u></u>

Ending Cash Balance

518,220	473,571	449,080	464,900	500,877	577,166	693,768	850,683	944,432	1,101,347	1,158,261	628,277
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Table 6.19: Balance Sheet - Year Three

	<u>End of Year Two</u>	<u>End of Year Three</u>
Assets		
Current Assets		
Cash	583,024	628,277
Accounts Receivable	-	-
Inventory	-	-
Prepaid Expenses	3,333	(0)
Other Current	-	-
Total Current Assets	<u>586,357</u>	<u>628,277</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	1,000,000	1,000,000
Leasehold Improvements	-	-
Equipment	250,000	250,000
Furniture and Fixtures	100,000	100,000
Vehicles	600,000	600,000
Other Fixed Assets	100,000	800,000
Total Fixed Assets	<u>2,050,000</u>	<u>2,750,000</u>
Less: Accumulated Depreciation	290,000	435,000
Total Assets	<u><u>2,346,357</u></u>	<u><u>2,943,276</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Other Bank Debt	-	-
Line of Credit Balance	-	-
Total Liabilities	-	-
Owner's Equity		
Common Stock	2,260,000	2,260,000
Retained Earnings	86,357	683,277
Dividends Dispersed	-	-
Total Owner's Equity	<u>2,346,357</u>	<u>2,943,277</u>
Total Liabilities and Owner's Equity	<u><u>2,346,357</u></u>	<u><u>2,943,276</u></u>

Table 6.20: Financial Ratios

**CM Car Wash
Financial Ratios**

Ratio	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>
Liquidity			
Current Ratio	0.0	0.0	0.0
Quick Ratio	0.0	0.0	0.0
Safety			
Debt to Equity Ratio	0.0	0.0	0.0
Debt to Coverage Ratio	0.0	0.0	0.0
Profitability			
Sales Growth	0.0%	25.0%	25.0%
COGS to Sales	12.2%	12.2%	12.2%
Gross Profit Margin	87.8%	87.8%	87.8%
SG&A to Sales	86.4%	72.3%	60.5%
Net Profit Margin	-5.7%	7.8%	18.2%
Return on Equity	-5.6%	8.8%	20.3%
Return on Assets	-5.6%	8.8%	20.3%
Owner's Compensation to Sales	17.1%	14.4%	12.1%
Efficiency			
Days in Receivables	0.0	0.0	0.0
Accounts Receivable Turnover	0.0	0.0	0.0
Days in Inventory	0.0	0.0	0.0
Inventory Turnover	0.0	0.0	0.0
Sales to Total Assets	1.0	1.1	1.1

Table 6.21: Breakeven Analysis

**CM Car Wash
Breakeven Analysis**

Breakeven Analysis	THB	Percent
Annual Sales Revenue	THB 2,102,100	100.00%
Cost of Sales	<u>257,400</u>	<u>12.24%</u>
Gross Margin	1,844,700	87.76%
Salaries and Wages	1,563,840	
Fixed Operating Expenses	<u>397,000</u>	
Total Fixed Business Expenses	1,960,840	
Breakeven Sales Calculation	<u>1,960,840</u>	
	87.76%	
Breakeven Sales in THB	<u><u>THB 2,234,446</u></u>	

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